

## **Wilmington Education Improvement Commission**

### ***Fiscal Impact Ad-Hoc Committee***

Sharp Center – Marshallton Education Building

Meeting Minutes – February 17, 2017

#### **Dr. Joe Pika, Chair, called the meeting to order at 1:06pm.**

J. Pika announced to the group that they are making progress with the report.

J. Pika asked the group if they had any adjustments to the minutes from the last committee meeting. No comments or issues were raised.

#### ***Meeting Overview***

J. Pika reminded the group about the last committee meeting and said how since then they have filled in the gaps of data. He said they have added an executive summary to the report.

J. Pika said the order of the federal, state, and local fiscal impacts has been changed in the report since the local funding section has been put in the beginning. He said the purpose behind the format change is to ensure that someone reading the report will see and understand the local fiscal impact first.

J. Pika pointed out that a conclusions section has been added to the report under the executive summary. He said the group will talk about the conclusions during this meeting to make sure everyone is in agreement with them.

#### ***Report Review***

J. Pika said he put together six conclusions under the executive summary on page 5 of the report. He asked the group to work through and challenge the conclusions he put forth.

Jill Floore raised a concern about the third conclusion listed. She said RCCSD does not have additional funding specifically for ELL, low-income, and special education K-3 students, but that the conclusion makes it seem as though the gap in expenditures and revenues represents the gap in funding in RCCSD.

In response to J. Floore's concern, J. Pika said the report will move the fifth conclusion up to number four so that the point about transition costs between CSD and RCCSD will follow the third conclusion.

J. Pika read over the sixth conclusion and asked the group if they were in agreement with the wording. The committee consented to it.

Margie Lopez-Waite asked J. Pika if these conclusions are the committee's final recommendations.

J. Pika responded that they are not, and asked M. Lopez-Waite if she had any recommendations to include in the report. She said no.

J. Pika asked the group about their thoughts on the executive summary on page 5.

J. Floore raised a comment about the executive summary. She said she would like it to emphasize that the state and federal resources will follow the students in the transition.

J. Pika announced to the group that they are going to go through the report. He asked the members to raise any issues they have as they go through each page.

J. Floore raised an issue about the first conclusion listed under the executive summary. She said she would like it to specifically say that the 4,360 students would move, instead of saying the students will move. She emphasized that the report's tone is very important.

Referring to paragraph number 3 on page 8, J. Floore said it should read that it is assumed families will have one opportunity to make this decision, instead of saying families will have one opportunity. She emphasized that this report is about assumptions.

Referring to page 12, J. Floore said that the fiscal impact analysis is not a good predictor of local funding in the future.

J. Pika, in response to J. Floore's point, said that future referendums will have a significant impact on local funding since local funding is subject to change based on referendum outcomes. He said the report could mention that all sources of funding may be disrupted

Ted Ammann said that local funds are the only funds that will be disrupted by WEIC, and that federal and state funds will still be the same regardless of WEIC or the passage of referendum. He added that people vote yes or no to referendum depending on how much they will have to pay in taxes for the school district.

J. Pika said he will fix the wording for the fiscal impact analysis section on page 12 and then run it pass J. Floore to make sure she is on board with it.

J. Pika moved the group on to page 13.

Chris Kelly asked J. Floore if the heading for section A on page 13 can say local funds expected to transfer.

J. Floore responded with it should say local funds expected to be impacted in transfer, instead.

C. Kelly asked the group if they had any comments for page 14. None were brought up.

C. Kelly transitioned the discussion to page 15.

J. Pika said table 6 on page 15 should drop out the "Additional Wilmington Support" line and move this data to a chart of its own below.

J. Pika asked the group if they are comfortable with how the data is presented on page 15.

In response to J. Pika's question, J. Floore said she is uncomfortable with using the average local per pupil expenditures data by itself.

J. Pika said it is the committee's job to say in the report what RCCSD is doing. He said students coming in from CSD should be treated identically to RCCSD students, and that CSD students should be held to the same standard that RCCSD students are held to.

Jeff Taschner said that if the committee is going to say there is a difference between the average and additional funding then there needs to be a table to display this difference.

Art Jenkins said identifying the prerequisite number for RCCSD is important to show per student spending.

J. Pika said the group cannot assume that all CSD students coming into RCCSD have the same needs as current RCCSD students.

J. Floore said she is concerned that people reading the report will think the total expenditures amount listed in table 6 on page 15 is new money to utilize, when in reality there is a huge gap in revenues and expenses.

J. Floore said table 6 should only display per pupil expenditures. C. Kelly and J. Pika supported this change.

C. Kelly clarified that the total amounts line in table 6 will be used to generate total expenditures for high-risk students.

C. Kelly moved the discussion forward to page 17 on CSD local revenues and operating expenditures. He said Bob Silber worked with him to put together this data.

J. Pika referred to CSD data on page 17 and 18 when said that the money generated by CSD properties is not enough to cover the educational needs of its students.

J. Floore said she would like the report to emphasize that the funding gap does not mean new money is available.

In response to J. Floore's comment, C. Kelly said the report is not saying there is new money, but instead is saying that the taxable assets are transferring from CSD to RCCSD.

J. Pika asked the group if there are any recommendations they want to make in the report to close the gap.

C. Kelly said that making recommendations is falling outside of the scope of this committee's task to just assess the fiscal impact. The group agreed with this point.

C. Kelly asked M. Lopez-Waite if the committee has to calculate what the additional revenue will be.

M. Lopez-Waite said she does not think that is necessary to do.

J. Floore said the report should include a footnote that shows expenditures for choice students and charter students.

C. Kelly moved the discussion to page 18 and asked the group if match tax section looks okay. No issues raised by the group.

C. Kelly continued onto page 28 and 29. He asked group if they approve of the assumptions listed under transportation. The committee members said yes.

T. Ammann asked C. Kelly if the report lists any costs about transportation for students who choose to remain in CSD.

C. Kelly responded yes and said the costs are included under transition costs.

J. Pika transitioned the discussion to transition costs on page 30.

J. Pika said there is a concern about transition costs for employees moving from CSD to RCCSD.

Referring to the third paragraph under the People section on page 30, J. Taschner said the word transfer should be changed to transition.

J. Pika, referring to the CSD facilities requirements, said he and B. Silber worked together on CSD's facilities assessment.

M. Lopez-Waite said that because of the redistricting and transfer of students to RCCSD, CSD will have many buildings that are underutilized. She asked about an analysis of unloading some of CSD properties since there will be unused schools and these buildings will be a waste of money to pay for.

J. Pika said RCCSD will not use or need all the CSD buildings that they will absorb in the transfer.

J. Pika, referring to the debt service section under facilities of transition costs on page 32, said the debt service tax rate is high.

J. Floore said WEIC cannot charge two separate debt service tax rates to CSD and to RCCSD.

J. Floore said the assumption that CSD and RCCSD get to pick which tax rate to pay just makes the gap between the two districts much bigger.

J. Pika asked the group if they want to lay out some options to figure out how to solve this issue.

J. Taschner said it is the General Assembly that ultimately has the authority to fix this issue.

J. Pika said that in the report the group could point out that there are two tax rates set by referendum and if CSD residents pay this rate there will be this affect and if RCCSD residents pay this rate there will be this affect. He said the committee needs to just say that this is the problem and leave it up to the General Assembly to figure out.

J. Pika asked the committee if there were any questions about technology and transportation transition costs on page 35.

J. Pika moved the conversation to the conclusions and unresolved issues section on page 37. He said somewhere there is going to be a bottom line after all the calculations have been made and the total fiscal impact will be calculated.

J. Pika said he is going to rework the taxpayer liability section on pg. 39.

J. Pika, referring to the NCC tax pool on page 40, said B. Silber and J. Floore reviewed this section. He asked the group if they approved of the wording for this section. He said he made some edits to it.

J. Pika asked the group if there were any other unresolved issues to bring up.

T. Ammann said he is concerned about portraying the total number as accurately as possible because people will remember that final, total number, and not the additional numbers in the appendices.

J. Pika said he agreed with T. Ammann's point and said a final, total number should be calculated by March 15, 2017.

J. Pika announced to the group that he and C. Kelly have a list of things to go through and work on before the next meeting.

*Next Steps*

He reminded the group that the next meeting starts at 12:30 pm on Friday, February 24.

J. Pika ended meeting at 4:00pm.

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